

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

COMBINED FINANCIAL REPORT

DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Meals on Wheels Atlanta, Inc. and Affiliate
Atlanta, Georgia**

Report on the Financial Statements

We have audited the accompanying combined financial statements of **Meals on Wheels Atlanta, Inc. and Affiliate** (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2017, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels Atlanta, Inc. and Affiliate as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2018, on our consideration of Meals on Wheels Atlanta, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meals on Wheels Atlanta, Inc. and Affiliate's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 7, 2018

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

<u>ASSETS</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 483,723
Accounts receivable	
Grants and contracts receivable	363,814
Promises to give, net	44,664
Accrued interest receivable	1,700
Prepaid expenses and deposits	9,561
Investments	996,706
Total current assets	<u>1,900,168</u>
<u>Investments, long-term</u>	<u>37,000</u>
<u>Property and equipment, net of accumulated depreciation</u>	<u>1,939,997</u>
Total Assets	<u><u>\$ 3,877,165</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>Current Liabilities</u>	
Accounts payable	\$ 518,423
Accrued expenses and other liabilities	56,363
Line of credit	100,000
Total current liabilities	<u>674,786</u>
Total liabilities	<u>674,786</u>
<u>Net Assets</u>	
Unrestricted	3,157,715
Temporarily restricted	44,664
Total net assets	<u>3,202,379</u>
Total Liabilities and Net Assets	<u><u>\$ 3,877,165</u></u>

See Notes to Combined Financial Statements.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017**

	Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE			
Government fees, grants and contracts	\$ 2,363,885	\$ -	\$ 2,363,885
General contributions	1,788,615	-	1,788,615
United Way	109,338	-	109,338
Special events, benefit donations and other, net of \$195,542 in expenses	615,705	-	615,705
Program service fees	118,862	-	118,862
Other	784	-	784
Investment income	76,501	-	76,501
Net assets released from restrictions	154,742	(154,742)	-
Total Support and Revenue	5,228,432	(154,742)	5,073,690
EXPENSES			
Marketing/fundraising	429,416	-	429,416
Supporting services	177,525	-	177,525
Program services	4,840,968	-	4,840,968
Total Expenses	5,447,909	-	5,447,909
Change in Net Assets	(219,477)	(154,742)	(374,219)
Net Assets, beginning of year	3,377,192	199,406	3,576,598
Net Assets, end of year	\$ 3,157,715	\$ 44,664	\$ 3,202,379

See Notes to Combined Financial Statements.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017**

	Marketing/ Fundraising	Supporting Services	Program Services	Totals
Salaries and wages	\$ 263,993	\$ 83,331	\$ 1,652,686	\$ 2,000,010
Fringe benefits	31,551	15,885	225,575	273,011
Payroll taxes	20,185	6,432	130,431	157,048
Total compensation and benefits	<u>315,729</u>	<u>105,648</u>	<u>2,008,692</u>	<u>2,430,069</u>
Meals	68	-	502,297	502,365
Supplies	7,004	4,534	434,881	446,419
Occupancy	6,273	6,631	112,119	125,023
Travel	1,130	289	55,642	57,061
Insurance	1,414	1,494	27,966	30,874
Telephone	3,214	3,648	33,494	40,356
Professional fees and contract labor	49,201	27,691	1,168,332	1,245,224
Interest expense and bank fees	922	15,625	34,348	50,895
Miscellaneous	44,461	11,965	198,909	255,335
Total expenses before depreciation	<u>113,687</u>	<u>71,877</u>	<u>2,567,988</u>	<u>2,753,552</u>
Depreciation	<u>-</u>	<u>-</u>	<u>264,288</u>	<u>264,288</u>
Total expenses	<u>\$ 429,416</u>	<u>\$ 177,525</u>	<u>\$ 4,840,968</u>	<u>\$ 5,447,909</u>

See Notes to Combined Financial Statements.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017**

OPERATING ACTIVITIES

Change in net assets	\$	(374,219)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		264,288
(Gain) on sale of investments		(6,416)
Unrealized (gain) on investments		(128,792)
(Gain) on disposal of fixed assets		(1,500)
(Increase) in grants and contracts receivable		(42,903)
Decrease in promises to give		20,064
(Increase) in accrued interest receivable		(61)
Decrease in prepaid expenses and deposits		35,878
Increase in accounts payable		320,095
Increase in accrued expenses and other liabilities		56,325
Net cash provided by operating activities		142,759

INVESTING ACTIVITIES

Proceeds from sale of fixed assets		1,500
Purchase of fixed assets		(70,799)
Purchase of investments		(318,685)
Sale of investments		372,486
Net cash (used in) investing activities		(15,497)

FINANCING ACTIVITIES

Borrowings on line of credit		99,093
Payments on line of credit		(100,000)
Net cash (used in) financing activities		(907)

Increase in cash and cash equivalents		126,355
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Cash and cash equivalents, beginning of year		357,368
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Cash and cash equivalents, end of year		\$ 483,723
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Supplemental disclosures of amounts paid for:

Interest		\$ 600
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See Notes to Combined Financial Statements.

**MEALS ON WHEELS ATLANTA, INC. AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS**

NOTE 1. ORGANIZATION

Meals on Wheels Atlanta, Inc. (the “Organization”) is a voluntary health and welfare organization established to assess, promote and care for the interests and welfare of elderly people through programs funded by governmental units and various public and private entities in the metropolitan Atlanta area. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

The Center Management and Congregate Meals programs operate six (6) senior center locations which provide meals, programs and trips to enhance the lives of seniors both mentally and physically.

Volunteer Services include the generation of resources for the Organization by the development of relationships with individual volunteers, community service workers, and community and service group volunteers to provide assistance with delivering meals, shopping, yard work, or correspondence with seniors and to provide assistance in the senior centers.

The Home Delivered Meals program provides “Meals on Wheels” for seniors who have difficulty preparing meals for themselves by providing meals five days per week to seniors at home.

The Transportation Services program provides seniors with transportation to and from the Organization’s adult day care center.

The Adult Day Care center provides day care for seniors that are semi-dependent and have mild to moderate Alzheimer’s/Dementia to prolong the seniors’ sense of independence while providing needed respite to caregivers.

The Homes program provides assistance to seniors to enable them to remain in their homes through the assistance of major, minor and maintenance related home repairs.

Program income is earned from activities and the confidential contributions by program participants.

On May 5, 2017, the Organization filed a certificate of amendment with the Secretary of State of Georgia to change the name of the organization from Senior Citizen Services of Metropolitan Atlanta, Inc. to Meals on Wheels Atlanta, Inc.

On October 31, 2017, the Board of Trustees of the Organization formally approved a plan to change the fiscal year-end of the Organization from June 30 to December 31. This change in fiscal year was effective immediately. Accordingly, these combined financial statements incorporate the activity of the Organization for the year ended December 31, 2017.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Senior Citizens Foundation, Inc. (the “Foundation”) is affiliated with the Organization through both common board members and the fact that the Organization has the ability to elect a percentage of the board members of the Foundation. The Organization has prepared combined financial statements with the Foundation. The two entities are legally separate and file separate tax returns with different fiscal year-ends. The Organization files a form 990 while the Foundation files a form 990-PF.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash equivalents consist of certificates of deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits of \$250,000. The Organization has not experienced any losses in such accounts.

Investments

In accordance with FASB's *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in equity securities with readily determinable fair values and all investments in debt securities shall be measured at fair value in the combined statements of financial position. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Gains and investment income that are limited to specific uses by donor-restrictions are reflected as increases in unrestricted net assets, if the restrictions are met in the same reporting period.

Property and Equipment

Property and equipment is recorded at cost, or if donated, at the fair market value on the date the asset is donated. Depreciation is computed over the estimated useful lives of these assets (3 to 30 years) using the straight-line method. Depreciation expense charged to operations was \$264,288 for the year ended December 31, 2017. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$2,500 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation are removed, and any gain or loss is included in operations.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Expenses are allocated to programs based on the amount of time that personnel spend on the program, or based on the percentage the particular program is estimated to use the particular expense, whether it is square footage of space used or another reasonable method based on the type of expense.

In-kind Contributions

Donated materials and equipment are reflected as contributions in the accompanying combined statement of activities and changes in net assets at their estimated value on the date of receipt. Contributed services are reflected in the combined financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or increase non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

In addition, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services. The value of this time donated is not included in the value of contributed services, as it does not meet the criteria specified in the preceding paragraph.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

Financial statement presentation follows the accrual basis of accounting and the recommendations of FASB's *Financial Statements of Not-for-Profit Organizations*. Under this guidance, the Organization is required to report information regarding its financial positions and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets:

Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets:

Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities and changes in net assets as net assets released from restrictions.

Permanently restricted net assets:

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investment for general or specific purposes. There were no permanently restricted net assets at December 31, 2017.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation, which is included in the combined financial statements, is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has a fiscal year-end of June 30, 2017. The activity included in the combined financial statements reflects activity as of December 31, 2017. The Foundation has been determined by the Internal Revenue Service to be a "Private Foundation" within the meaning of Section 509(a) of the code and is subject to excise taxes on net investment income, including realized gains, as defined in the act. Accordingly, federal excise taxes have either been paid or accrued. The tax reform act requires that certain minimum distributions be made in accordance with a specified formula. As of June 30, 2017, the Foundation had not distributed more than was required.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status (Continued)

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from these estimates.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. There are \$55,164 of unconditional promises to give at December 31, 2017.

Promises to give that are expected to be collected within one year are recorded at their net realizable value. See Note 4 for disclosure of pledges receivable payment schedule and discount calculation. A provision for uncollectable promises to give is provided by using the allowance method based on management estimates and past experience. Provision for uncollectable accounts on promises to give is \$10,500 at December 31, 2017.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities and changes in net assets as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purpose of the grants since they are conditional promises to give.

Grants and Contracts Receivable

Grant revenue is recognized as revenue in the period in which it is expended for cost reimbursement agreements. Unexpended funds received under these grants and contracts are recorded as deferred revenue.

Certain receivables represent amounts due from grants and contracts. A provision for uncollectable accounts is provided by using the allowance method based on management estimates and past experience. The Organization considers grants and contracts receivable as of December 31, 2017 to be fully collectable. Therefore, no provision for uncollectable accounts is recorded. Since all grants and contracts are expected to be collected within one year, they are recorded at the net realizable value.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Benefits Purchased by Donors at Special Events

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at the special events is measured at the actual cost to the Organization. The direct costs of the special events that ultimately benefit the donor rather than the Organization are recorded as exchange transaction income and expense. All proceeds received for the event in excess of the direct costs are recorded as special events revenue in the accompanying combined statement of activities and changes in net assets.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2017:

Building and improvements	\$ 3,246,862
Land	196,000
Equipment and vehicles	601,617
Furniture and fixtures	169,298
	<u>4,213,777</u>
Less: accumulated depreciation	(2,273,780)
Net property and equipment	<u>\$ 1,939,997</u>

NOTE 4. PROMISES TO GIVE

Promises to give at December 31, 2017 consist of the following unconditional promises to give:

Restricted pledges to future periods for Capital Campaign	<u>\$ 55,164</u>
Unconditional promises to give	55,164
Less allowance for uncollectible pledges	(10,500)
Net promises to give	<u>\$ 44,664</u>
Amount due in:	
Less than one year	<u>\$ 55,164</u>
Total	<u>\$ 55,164</u>

All outstanding promises to give at December 31, 2017 are due within one year, therefore there is no present value discount recorded at year-end.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 5. RETIREMENT PLAN AND CONTINGENCY

On January 1, 1993, the Organization adopted a defined contribution plan. Under the terms of the plan, all full-time and permanent employees with at least six months tenure are eligible to participate. The Organization began a new plan effective January 1, 2005 and rolled over employee funds from the old plan. The Organization's contribution to the new plan is specified at 3% of eligible employees' compensation. In addition, the Organization implemented a 403(b) profit sharing plan for all eligible employees. Participant contributions are matched 50% by the Organization up to a maximum of 5% of the employee's salary.

Both of these plans were amended during fiscal year 2009. Effective January 1, 2009, the plans were amended to allow all employees except those not expected to work regularly at least 20 hours per week to be eligible for participation. Then effective March 1, 2009, the Organization amended the plan to remove the basic contribution of 3% for all eligible employees and currently there is no longer any basic contribution. The 403(b) profit sharing plan under the terms of the new eligibility requirements effective January 1, 2009 was amended March 1, 2009 to state that the Organization would match 50% of the participant elected deferral up to a maximum of 6% of compensation as defined in the plan for employees meeting the eligibility requirements. The Organization's contributions to these plans totaled \$13,867 for the year ended December 31, 2017.

The employee contributions are 100% vested and the employer contributions are vested as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 1	0%
1	25%
2	50%
3	75%
4 or more	100%

NOTE 6. EFFECT OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS AND GRANT FUNDING SOURCES

The Organization depends heavily on contributions and grants from public, federal, state and county sources and the Foundation for its revenue. The ability of these contributors and grantors to continue giving amounts comparable with prior years may be dependent upon deductibility for income tax purposes of contributions and grants to the Organization, as well as government approved funding. While the Organization's board of directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

The Organization is subject to possible examination by federal, state and county agencies to determine compliance with terms, conditions, laws and regulations governing the grants given to the Organization.

The Organization obtained approximately 46% of its total revenue from city, county, state and federal assistance programs for the year ended December 31, 2017. If grant funding of the Organization were to decrease significantly, current programs and operations would be considerably affected. Due to there being a number of governmental grants from various government entities, as well as several grant agencies, concentration risk is minimized.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 7. LINE OF CREDIT

As of December 31, 2017, the Organization has two open lines of credit with a financial institution. The outstanding balance on the lines of credit at December 31, 2017 was \$ - and \$100,000.

The line of credit with a \$ - balance at December 31, 2017 includes the following terms: (1) master borrowing agreement expired on January 28, 2017 at which time no new advances on the line could be made, (2) all unpaid principal and interest is due in full on January 28, 2019, and (3) the line carries an interest rate of prime plus 1.5% (6.0% at December 31, 2017).

The line of credit with a \$100,000 balance at December 31, 2017 includes the following terms: (1) maximum borrowing arrangement of \$250,000, (2) all unpaid principal and interest is due on demand as an open-ended borrowing arrangement with no fixed maturity date, and (3) the line of credit carries at interest rate of prime plus 1.25% (5.75% at December 31, 2017).

NOTE 8. RESTRICTIONS ON NET ASSETS

As of December 31, 2017, the Organization does not have any permanent restrictions on net assets. As of December 31, 2017, temporarily restricted net assets are as follows:

Promises to give restricted for Capital Campaign	\$	44,664
Total temporarily restricted net assets	\$	<u>44,664</u>

There were releases from restrictions during the year ended December 31, 2017 of \$154,742. For the year ended December 31, 2017, all of the releases were related to expenses incurred for the purpose of the Capital Campaign.

NOTE 9. FAIR VALUE MEASUREMENTS

Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this guidance are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially all of the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017.

Land held as investment: The carrying amount represents historical cost since the investment has not received a recent appraisal. In accordance with GAAP, carrying amount represents lower of cost or market of the investment.

Equities, fixed income and hedges: Certain common stocks and mutual funds are valued at the closing price reported in the active market in which the individual securities are traded. If a quoted market price for unrestricted common stock of the issuer is not available, historical cost is used as fair value of the instrument and it is evaluated for any potential impairment.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of December 31, 2017:

	Level 1	Level 2	Level 3	Total
U.S. equities	\$ 548,766	\$ -	\$ -	\$ 548,766
International equities	158,955	-	-	158,955
Fixed income	248,946	-	-	248,946
Inflation hedges	40,039	-	-	40,039
Land held as investment	-	37,000	-	37,000
Total assets at fair value	\$ 996,706	\$ 37,000	\$ -	\$ 1,033,706

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 10. OPERATING LEASES

The Organization leases equipment under operating leases expiring at various dates through February 2021. Minimum future rental payments under these non-cancelable operating leases are:

Year Ending December 31:

2018	\$	4,104
2019		4,104
2020		4,104
2021		520
Total minimum future rental payments	\$	<u>12,832</u>

The total expenses charged to operations on these and other leases was \$4,104 for the year ended December 31, 2017.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through August 7, 2018, the date the financial statements were available to be issued.

SINGLE AUDIT SECTION

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2017**

<u>Programs</u>	<u>CFDA No.</u>	<u>Grant No.</u>	<u>Total Grants</u>	<u>Expenditures</u>
MAJOR PROGRAMS				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through Fulton County – Adult Day Care Aging Cluster	93.044		\$ 312,213	\$ 312,213
Passed through Fulton County – Senior Center Management Aging Cluster	93.044		553,707	553,707
Passed through Fulton County – Volunteer Services Aging Cluster	93.044		42,523	42,523
			<u>908,443</u>	<u>908,443</u>
TOTAL MAJOR PROGRAMS			<u>908,443</u>	<u>908,443</u>
NON MAJOR PROGRAMS				
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Senior Companion Program	94.016	15SXSGA001	<u>99,769</u>	<u>99,769</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - CDBG				
Passed through City of Atlanta – Meals on Wheels	14.218	2016-531	23,079	23,079
Passed through City of Atlanta – Adult Day Care	14.218	2016-481	18,333	18,333
Passed through City of Atlanta – Atlanta Homeowner Maintenance	14.218	220132318	39,304	39,304
			<u>80,716</u>	<u>80,716</u>
DEPARTMENT OF HOMELAND SECURITY				
Emergency Food and Shelter Program – Meals on Wheels	97.024	LRO 174000-142	<u>28,775</u>	<u>28,775</u>
U.S. DEPT. OF HEALTH AND HUMAN SERVICES				
U.S. FEDERAL TRANSIT ADMINISTRATION				
U.S. DEPT. OF EDUCATION	93.667			
Passed through Georgia Department of Human Resources – Adult Day Care	20.513	42700-362-0000050634	<u>90,943</u>	<u>90,943</u>
TOTAL NON MAJOR PROGRAMS			<u>300,203</u>	<u>300,203</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,208,646</u>	<u>\$ 1,208,646</u>

The accompanying notes are an integral part of this schedule.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2017**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Meals on Wheels Atlanta, Inc. and Affiliate under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Meals on Wheels Atlanta, Inc. and Affiliate, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Meals on Wheels Atlanta, Inc. and Affiliate.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Meals on Wheels Atlanta, Inc. and Affiliate has elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Board of Directors
Meals on Wheels Atlanta, Inc. and Affiliate
Atlanta, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Meals on Wheels Atlanta, Inc. and Affiliate (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2017, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated August 7, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meals on Wheels Atlanta, Inc. and Affiliate's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meals on Wheels Atlanta, Inc. and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Meals on Wheels Atlanta, Inc. and Affiliate's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meals on Wheels Atlanta, Inc. and Affiliate's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 7, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Board of Directors
Meals on Wheels Atlanta Inc. and Affiliate
Atlanta, Georgia**

Report on Compliance for Each Major Federal Program

We have audited Meals on Wheels Atlanta, Inc. and Affiliate's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Meals on Wheels Atlanta, Inc. and Affiliate's major federal programs for the year ended December 31, 2017. Meals on Wheels Atlanta, Inc. and Affiliate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Meals on Wheels Atlanta, Inc. and Affiliate's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Meals on Wheels Atlanta, Inc. and Affiliate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Meals on Wheels Atlanta, Inc. and Affiliate's compliance.

Opinion on Each Major Federal Program

In our opinion, Meals on Wheels Atlanta, Inc. and Affiliate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of Meals on Wheels Atlanta, Inc. and Affiliate is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Meals on Wheels Atlanta, Inc. and Affiliate's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Meals on Wheels Atlanta, Inc. and Affiliate's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 7, 2018

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditors' report issued:

Unmodified	
Yes	No

Internal control over financial reporting:

Material weaknesses identified?

	X
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Significant deficiencies identified not considered to be material weaknesses?

	None Reported
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Noncompliance material to the financial statements noted?

	X
--	----------

Federal Awards:

Internal controls over major programs:

Material weaknesses identified?

	X
--	----------

Significant deficiencies identified not considered to be material weaknesses?

	None Reported
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Type of auditor's report issued on compliance for major programs

Unmodified	
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Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)

	X
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Identification of major programs:

93.044 Aging Cluster - U.S. Department of Health and Human Services

Dollar threshold used to distinguish between type A and type B programs

\$ 750,000		
	Yes	No

Auditee qualified as low-risk auditee?

	X	
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Financial statement findings?

		X
--	--	----------

Findings and questioned costs for federal awards?

		X
--	--	----------

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

**To the Board of Directors
Meals on Wheels Atlanta, Inc. and Affiliate
Atlanta, Georgia**

We have audited the combined financial statements of Meals on Wheels Atlanta, Inc. and Affiliate as of and for the year ended December 31, 2017 and our report thereon dated August 7, 2018, which expressed an unmodified opinion on those combined financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combined statement of activities and changes in net assets by program and facility operations, combining statement of financial position, and combining statement of activities and changes in net assets are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 7, 2018

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROGRAM AND FACILITY OPERATIONS
YEAR ENDED DECEMBER 31, 2017**

	Homes	Home Delivered Meals	Senior Center Management	Adult Day Care	Volunteer Services	Facility Operations	Development Program	Other	Totals
SUPPORT AND REVENUE									
State revenue	\$ -	\$ 28,775	\$ -	\$ 128,348	\$ 99,769	\$ -	\$ -	\$ -	\$ 256,892
City of Atlanta revenue	134,217	23,079	88,967	18,333	-	-	-	-	264,596
County revenue	550,000	387,446	553,707	308,079	43,165	-	-	-	1,842,397
Other revenue	-	-	-	-	-	-	774	10	784
General contributions	998,061	307,200	3,222	2,000	250	3,987	444,812	29,083	1,788,615
United Way	-	46,800	-	23,400	-	-	-	39,138	109,338
Special events, benefit donations and other, net of expenses	-	615,705	-	-	-	-	-	-	615,705
Investment income	-	-	-	-	-	-	14	76,487	76,501
Program service fees	9,350	52,669	9,285	43,058	-	4,500	-	-	118,862
Total Support and Revenue	1,691,628	1,461,674	655,181	523,218	143,184	8,487	445,600	144,718	5,073,690
EXPENSES									
Personnel costs	398,465	542,613	473,730	326,182	130,332	110,284	315,728	132,735	2,430,069
Meals	-	458,982	1,759	39,415	2,141	-	68	-	502,365
Supplies	237,811	127,901	27,404	24,678	4,834	16,589	7,202	-	446,419
Occupancy	11,068	17,773	40,066	35,993	-	12,628	6,273	1,222	125,023
Travel	11,142	11,540	4,309	16,814	11,807	29	1,131	289	57,061
Insurance	2,495	4,006	8,615	8,113	3,788	2,167	1,414	276	30,874
Telephone	4,762	11,322	12,626	5,404	494	1,082	3,425	1,241	40,356
Professional fees and contract labor	958,136	128,229	44,176	33,469	6,535	3,120	49,206	22,353	1,245,224
Volunteer stipends	-	-	1,129	-	60,751	-	-	-	61,880
Interest expense and bank fees	189	511	341	236	9	62	320	16,227	17,895
Miscellaneous	24,717	49,943	10,816	33,746	42,856	3,673	50,319	10,385	226,455
Total expenses before depreciation	1,648,785	1,352,820	624,971	524,050	263,547	149,634	435,086	184,728	5,183,621
Depreciation	11,804	41,288	10,131	19,776	-	152,659	-	28,630	264,288
Total Expenses	1,660,589	1,394,108	635,102	543,826	263,547	302,293	435,086	213,358	5,447,909
Change in Net Assets (Deficit)	31,039	67,566	20,079	(20,608)	(120,363)	(293,806)	10,514	(68,640)	(374,219)
Net Assets (Deficit), beginning of year	(74,093)	503,504	518,282	866,036	(196,569)	(765,790)	472,816	2,252,412	3,576,598
Net Assets (Deficit), end of year	<u>(43,054)</u>	<u>\$ 571,070</u>	<u>\$ 538,361</u>	<u>\$ 845,428</u>	<u>\$ (316,932)</u>	<u>\$ (1,059,596)</u>	<u>\$ 483,330</u>	<u>\$ 2,183,772</u>	<u>\$ 3,202,379</u>

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

<u>ASSETS</u>				
	<u>Meals on Wheels Atlanta</u>	<u>Senior Citizens Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>Current Assets</u>				
Cash and cash equivalents	\$ 482,125	\$ 1,598	\$ -	\$ 483,723
Accounts receivable				
Grants and contracts receivable	364,193	-	(379)	363,814
Promises to give, net	44,664	-	-	44,664
Accrued interest receivable	-	1,700	-	1,700
Prepaid expenses and deposits	9,561	-	-	9,561
Investments	-	996,706	-	996,706
Total current assets	<u>900,543</u>	<u>1,000,004</u>	<u>(379)</u>	<u>1,900,168</u>
<u>Investments, long-term</u>	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
<u>Property and equipment, net of accumulated depreciation</u>	<u>1,939,997</u>	<u>-</u>	<u>-</u>	<u>1,939,997</u>
Total Assets	<u>\$ 2,877,540</u>	<u>\$ 1,000,004</u>	<u>\$ (379)</u>	<u>\$ 3,877,165</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities</u>				
Accounts payable	\$ 518,423	\$ 379	\$ (379)	\$ 518,423
Accrued expenses and other liabilities	56,363	-	-	56,363
Line of credit	100,000	-	-	100,000
Total current liabilities	<u>674,786</u>	<u>379</u>	<u>(379)</u>	<u>674,786</u>
Total liabilities	<u>674,786</u>	<u>379</u>	<u>(379)</u>	<u>674,786</u>
<u>Net Assets</u>				
Unrestricted	2,158,090	999,625	-	3,157,715
Temporarily restricted	44,664	-	-	44,664
Total net assets	<u>2,202,754</u>	<u>999,625</u>	<u>-</u>	<u>3,202,379</u>
Total Liabilities and Net Assets	<u>\$ 2,877,540</u>	<u>\$ 1,000,004</u>	<u>\$ (379)</u>	<u>\$ 3,877,165</u>

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017**

	<u>Meals on Wheels Atlanta</u>		<u>Senior Citizens Foundation</u>		<u>Eliminations</u>	<u>Totals</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>			
SUPPORT AND REVENUE						
Government fees, grants and contracts	\$ 2,363,885	\$ -	\$ -	\$ -	\$ -	\$ 2,363,885
General contributions	1,788,615	-	-	-	-	1,788,615
United Way	109,338	-	-	-	-	109,338
Special events, benefit donations and other, net of \$195,542 in expenses	615,705	-	-	-	-	615,705
Program service fees	118,862	-	-	-	-	118,862
Other	814	-	-	(30)	-	784
Investment income	791	-	75,710	-	-	76,501
Net assets released from restrictions	154,742	(154,742)	-	-	-	-
Total Support and Revenue	<u>5,152,752</u>	<u>(154,742)</u>	<u>75,710</u>	<u>(30)</u>	<u>-</u>	<u>5,073,690</u>
EXPENSES						
Marketing/fundraising	429,416	-	-	-	-	429,416
Supporting services	172,613	-	4,942	(30)	-	177,525
Program services	4,840,968	-	-	-	-	4,840,968
Total Expenses	<u>5,442,997</u>	<u>-</u>	<u>4,942</u>	<u>(30)</u>	<u>-</u>	<u>5,447,909</u>
Change in Net Assets	(290,245)	(154,742)	70,768	-	-	(374,219)
Net Assets, beginning of year	<u>2,448,335</u>	<u>199,406</u>	<u>928,857</u>	<u>-</u>	<u>-</u>	<u>3,576,598</u>
Net Assets, end of year	<u>\$ 2,158,090</u>	<u>\$ 44,664</u>	<u>\$ 999,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,202,379</u>